

we need to represent people and not just polls. But the polls in the last few weeks are the best things we know, and the last month, of how Congress has been doing.

Two polls were released last week suggesting that the American people are increasingly unhappy with Congress and particularly the majority Republican Congress. One of them was conducted by the Wall Street Journal and NBC and one by the Los Angeles Times reveals that voters are rejecting the Republican agenda and their leaders in Congress and suggest that the battleground issues like Medicare will play a significant role in next year's elections.

First of all, the Wall Street Journal and the NBC poll said that 59 percent of American voters disapprove of the job Congress is doing. And this is an all-time high for the GOP Congress and places it close to our congressional disapproval last year before the 1994 elections.

The other poll talks about 1 year out from the 1996 elections, the Los Angeles Times poll released this Sunday shows Democrats ahead of Republicans for the first time since the 1994 elections, 44 percent to 42 percent. Again, not a landslide, but a year ago Democrats were down by 5 percent. Among seniors, a key voting block in 1996, Democrats are ahead of Republicans by 18 percentage points, 52 percent to 34 percent. And a year ago, Republicans held the edge among seniors 45 to 40 percent.

I am glad my colleague from Georgia talked about the need maybe for some type of truth meter on our mikes because I know the frustration of our constituents all over the country. But I think their frustration is being reflected in the polls I just mentioned.

Plain and simple, our Republican majority has mismanaged our financial affairs and our Government. They passed only 5 of the 13 appropriations bills which fund the Government. And the fiscal year started October 1, so we are over 45 days late, well, almost 45 days late. The media has been talking about a crisis within our Government. There is no real crisis if we had just been able to do our work on time by October 1 and passed those bills or to pass a continuing resolution so we can get on about our business of passing those bills.

Now the effort to blame the President for his alleged mismanagement. In fact, Republicans controlled both Houses after the 1994 elections, and they have the majority votes to be able to pass all 13 bills, obviously, prior to October 1 and send them on to the President. The President has only vetoed one bill, the legislative appropriations bill that I know is ready for him again to be sent back up, but of the two bills he signed, the Agriculture Department and one other one, those agencies are up and running. Employees are not being furloughed. However, it seems like our majority cannot come

to an agreement among themselves on these funding bills, and that is why we are so late.

In fact, we saw today in a report that I read just this afternoon that our Republican majority was planning this shutdown in July of this year. So it just did not happen on the 15th of November. It has been planned on because of this showdown and laying off Federal workers or furloughing them whether they are paid or not paid. If they are not paid, we are hurting a lot of hopefully employees that are dedicated to do their jobs, but if we are paying them, then the American people are wondering why are we furloughing people and then paying them when we finally bring them back. It is like an irresponsible student whose assignment, homework is late.

My wife is a teacher, an algebra teacher. She has told me this oftentimes that a student comes in and their homework is late. They are going to blame someone else. The dog ate it. I forgot it and left it at home, all sorts of reasons.

Well, the Republicans are blaming the President for not getting their work done. The President does not have a vote in this body. To cover up that irresponsibility, they are trying to strong-arm the President into getting their way, including to force him to raise Medicare premiums. I did say raise Medicare premiums, because right now Medicare premiums are \$46.10 a month, and they would go up under the continuing resolution that the President, thank goodness, vetoed to \$53.50 a month, and either that or shut down government.

Now we have the shutdown, and it is estimated it may take 2 weeks. And presenting the President with a choice like that is irresponsible and invites this crisis. Again today, we heard it was reported that as of * * * even in July * * *.

I would hope we would have a bipartisan continuing resolution, one that does aim us for a balanced budget but does not do damage to Medicare and education.

THE BUDGET IMPASSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa [Mr. LEACH] is recognized for 5 minutes.

Mr. LEACH. Mr. Speaker, I rise to attempt to put the budget impasse in an historical, economic, and constitutional context.

The big secret in Washington that Republicans won't acknowledge and Democrats won't admit is that the rhetoric of the parties doesn't fit the circumstance. The change in course that is underway in Congress is neither as revolutionary as conservative leaders suggest nor as radical as the liberals would have it. It is an effort to move the ship of state gradually from a slightly left-of-center to slightly right-of-center direction.

The macro-economic goal is to achieve a balanced budget in 7 years with 3 percent a year increases in Federal spending. A year ago consensus economic models pointed to a 3.1 to 3.2 percent inflation over this time period. More recently inflation projections have been revised downward, with Lester Thurow of M.I.T. startling the economic community with the declaration that inflation is dead. Whether or not Thurow's assertion as Mark Twain might quip is premature, the new Congress has put in place a program that in outline is intended to represent an inflation adjusted freeze on spending. Rather than radical, such an approach is common-sense; rather than revolutionary, it is revolution-avoiding.

The question that remains in the executive-legislative dialog of the month is whether enough good will can be marshalled or enough confrontational bluff avoided to allow politicians who feed off each other to advance the common good. In this context, the Republican case to stick with firm macro-constraints would appear compelling, but flexibility to accommodate certain executive branch requested changes in priorities can credibly be considered. As long as the foundations and walls of the new programmatic discipline follow the balanced budget blueprint of Congress, the living-room furniture in the new house of Government can be rearranged. The Republicans aren't infallible; the Democrats have no monopoly on compassion.

While the President has assiduously made political points with program constituencies, it is impressive to note how few issues he appears committed. Part of the President's lack of resolve may be due to the fact that he understands deficit reduction will reflect well on his Presidency, part may be due to the fact that in our constitutional system the Congress is principally delegated purse-string authority. The first and second estates of Government may be co-equal, but not in all areas. While the executive has primacy in foreign policy, decisions on taxing and spending are disproportionately the responsibility of the legislature.

Nevertheless, the Presidency is always more powerful than the President and however strong or weak one assesses the current occupant of the White House, legislators should be cautioned to recognize the power of the veto and the authority of the bulliest pulpit in the world.

Likewise, the President should be cautioned not to be so intent on trying to establish a macho image—what the press has reported as a White House effort to show that the President stands for something—that accommodation with Congress becomes impossible.

What the public must keep in mind in the budget showdown is that the current process is so ad hoc. Washington has no relevant modern day experience in dealing with a divided Government in which the executive branch is

more liberal than the legislative. This leads to the a-historical phenomenon that the veto is being used or threatened to keep general levels of spending up rather than particular program levels down. For the first time in decades roles have been reversed. Congress rather than the Executive is stressing the need for overall budgetary constraint. Congress rather than the Executive is trying to veto special interest spending.

Since the 1960's the impulse to spend and micromanage the Federal Government has come from a Congress where committee and subcommittee chairmen have established reputations of leadership and compassion that comes from spending other peoples money in programs under their jurisdiction. Budgets couldn't be constrained because egos couldn't be controlled.

Ironically, for all the tough rhetoric America's two political parties are not that far apart, at least in relation to other Western democracies. Indeed, despite the hullabaloo of the week, statistically the difference is about 2½ percent. The Democrats favor a multi-year plan increasing Federal spending at a 5½ percent per annum clip; the Republicans 3 percent.

In this regard it is noteworthy that rather than Reagan Redux, which beltway pundits have suggested is underway, the new Republicans are uniquely committed to advancing, rather than simply professing, achievement of a balanced budget.

What the Reagan years were all about was a President who sought an increased defense budget while philosophically assaulting Washington's social agenda. The compromise with a liberal Congress was an increase in defense spending, but a bigger increase in social spending.

Federal spending under President Reagan as a percent of GNP grew by a whopping margin, from 21½ percent to 23½ percent. Federal revenues, meanwhile, remained static, varying each year from 19¼ to 19½ percent of GNP. Taxes, in other words, were realigned, not cut, and the Reagan deficit was classically liberal: spending driven.

The goal of the new Congress is less governmental activism; the intent is to bring the budget into balance at a GNP level closer to that which President Reagan began in the 1980's. Despite the rhetorical division, this is a modest objective. Indeed, my guess is the new Congress which has come under such public fire for going too far is going to come under increased private criticism for not going far enough. The issue is Keynesianism as modified by demographics. Keynesian, in the sense that just as John Maynard Keynes argued that a country could deficit finance to even out downturns in the economy or deal with national emergencies, it is obligated to pay back debt in good times. And these, after all, are good times. The country is secure; employment is strong; the economy is grow-

ing. America is at peace with the world, if not quite with itself.

In terms of demographics, the baby boom generation is at its productive peak. Shortly into the 21st century, sometime in its second decade—demographers suggest 2011 or 2012—the number of working Americans supporting each retired citizen is likely to decline from a 3 to 1 ratio to 2 to 1. If at that time interest on federal debt is more burdensome than Social Security obligations, it is difficult to believe Federal concerns can responsibly be addressed. As we look to the immediate future even more than the recent past, it would appear there is simply no justification for deficit financing at this time.

In this context, the most emotive issue of the week—Medicare—could not be more symbolic or consequential.

What makes Medicare particularly difficult in a legislative context is that it represents the conjunction of an economic reality—the fact that the Medicare system is fast becoming insolvent—and a moral imperative—the obligation to provide compassionate health care to our senior citizens at an affordable rate.

While differences of judgment will always exist on systemic changes in programs of this nature, the big picture is that the new Congress has worked to establish medium-term solvency and stability of the Medicare system without sparking a generational conflict.

Despite the rhetoric of division that surrounds the Republican approach, it deserves stressing that the Medicare program is authorized to grow annually at 6.4 percent, which is more than double the projected rate of inflation over the next 7 years. Relative to inflation, this decade's rate of growth of Medicare spending will thus be similar and quite probably greater than that of the last decade.

Two changes of significance in Medicare are relevant for rural States, and the 1st District of Iowa in particular.

The current Medicare reimbursement formula contains a differential based on the fact that rural States were early practitioners of progressive cost containment. Ironically, rather than being rewarded for prudence, citizens in rural States have found themselves penalized as yearly percentage adjustments in Medicare reimbursements accentuated differences in the country.

Because of the efforts of rural State representatives—in particular, Representatives GANSKE and GUNDERSON, and Senator GRASSLEY—more than a third of the differential has been eliminated and a formula to reduce it further is being put in place. These changes will result in more Medicare revenues for rural States like Iowa than would have been the case under the President's approach. More needs to be done on the differential issue, but a giant first step has been taken.

Indeed, many rural counties currently have per citizen Medicare reimbursement formulas of \$200 to \$250 per

month. Under the new congressional plan the lowest reimbursement for any county in the country will soon be \$350. The Medicare reimbursement base will thus be moved up over 50 percent for the most disadvantaged counties in America today and annual percentage increases for these counties will be triple the inflation rate until greater parity with higher reimbursement counties is obtained. When these adjustments are added to the innovative aspects of Medicare reform, senior citizens from rural States will in short order have a far stronger, more flexible, choice oriented system than is currently in place.

The economic segregation that characterizes the current rural health care delivery system will be replaced by a much fairer, more equalitarian Medicare delivery system.

The new approach adopted by the House also creates a trust fund to finance teaching hospitals and graduate medical education programs, which will be of particular significance for the University of Iowa hospital, the largest teaching hospital in the world. This change, coupled with the higher rural reimbursement figures could be critical to saving the patient treatment capacities not only of the University Hospital in Iowa City but of teaching hospitals throughout the country, particularly those in rural states.

For all the vitriolic arguments on the floor and the sophisticated public opinion research that has gone into television commercials which are designed to show that the President cares about something—in this case the young and the old—the fact is that the debate is about whether to balance the budget in a sensible and socially acceptable time frame.

In this regard, it should be stressed that all Americans have a vested interest in greater fiscal restraint—young Americans in particular. It is those just about to enter the work force, after all, that will find themselves paying taxes over their entire working lives to pay off the national debt for past legislation excesses.

Of all the issues that should galvanize young people, the deficit should be the largest. But deficits aren't simply younger Americans' concern. Those in the so-called baby boom generation who are 40 to 55 today don't want to inherit an insolvent Medicare system when they retire. They don't want to retire when Government debt obligations are so great that the capacity to fund Medicare and Social Security is too much of a burden on too small a work force.

As for those who have already retired, they don't want to see inflation ravage their savings as it did in the late 1970's. They have every reason to look at 20 to 40 years of retirement made possible by a health care system that has been advanced by modern science and made economically sound through responsible fiscal policy.

In this regard, it needs stressing again and again that no one is going to be happy with anyone else's budget priorities. I, for one, prefer a number of aspects of the President's education approach, am appalled by the Congress's refusal to fully fund the United Nations, and would be more sympathetic than the majority in my party to NPR and the Endowments on the arts and humanities. Yet, I am convinced America must come to grips with the budget and strongly support the faster Republican timeline for deficit reduction.

On process, let me stress that the Democrats have fairly criticized my party. The appropriations bills have not been completed on time. This is partly the case because of the heavy schedule earlier this year related to Republican efforts to fulfill a campaign pledge—the Contract With America. But, ironically perhaps, the primary reason for delay relates to the Republicans attempting to give the minority party expansive opportunity to amend bills brought to the floor under open rules. In a body of 435, extensive use of open rules assures a slow down of the legislative process.

Finally, let me stress that at issue are not only budget balancing and spending priorities but the question of whether a politically divided American Government can work and maintain the confidence of the American people.

As emotive as the issues are, we have a responsibility to see that on an orderly, fair, and timely basis they are resolved.

In this process we have an even larger responsibility not to divide America with inflammatory rhetoric or undercut the stature of this chamber with irresponsible choice making. The public's business requires decency of approach as well as purpose. Now is the time for personal pride and partisan ambition to be checked at the cloak room.

LET US TALK ABOUT MEDICARE AND MEDICAID

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. BROWN] is recognized for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, earlier today in this Chamber we debated a bill that was sponsored by the gentlewoman from Nevada [Mrs. VUCANOVICH] and also the gentleman from southern California [Mr. WAXMAN]. It was a bill to make minor changes in the law regulating pacemaker safety to make sure that over the years that Congress has been very involved in that issue, to make sure that Medicare does not overpay for defective pacemakers, that pacemakers that are implanted in people are indeed safe. It was a simple bill, a non-controversial bill, a bill that had bipartisan support, and a bill ultimately that passed by voice vote or passed pretty much unanimously.

I have been a Member of this body for 3 years representing a district in northeast Ohio, and something happened during that debate that troubled me as we discussed this bill. Some of us wanted to talk about Medicare as a whole, about the Gingrich \$270 billion cut Medicare plan, about Medicaid and all that this pacemaker issue included in other issues that Medicare—that revolve around Medicare, and clearly when any of us goes home and goes to our district, it is pretty obvious that Medicare is on the minds not just of people that are Medicare beneficiaries, of actual beneficiaries today, but of their children. It is on the mind, Medicaid is on the mind, of people that have to place their parents or grandparents in nursing homes, Medicaid is on the minds of people that—whose families might have Alzheimer's. It is Medicaid and Medicare issues that people want to hear about, and want to talk about, and want to see Congress debate, and unfortunately today, Mr. Speaker, as a couple of us wanted to talk about Medicare, especially specifically, and also Medicaid, there were Members of the majority party that—who supported the Gingrich plan that did not even want us to discuss it, that continue to say, "You're out of order," and try to get—try to stop us from discussing Medicare as a whole.

Mr. Speaker, the reason we wanted to discuss Medicare is that in this Chamber during the day when we are actually debating legislation, not in the evening in these special orders when few Members sit in this Chamber, but during the day; we only had 1 hour of general debate on the whole Medicare bill, and even worse perhaps, in committee. I sit on the Committee on Commerce, others that sit on the Committee on Ways and Means, and saw Medicare and Medicaid pass through those two committees with only one hearing in the Committee on Ways and Means and no hearings in the Committee on Commerce. We passed legislation changing a \$200 billion or a \$180 billion Medicare bill program that is \$180 billion a year spent on Medicare, about \$80 billion a year spent on Medicaid; we changed those two programs in a big, big way, markedly, with no real committee hearings.

And what bothered me is today we try to talk about nursing home standards, how this Congress wants to roll back all Federal nursing home standards that have made a big difference in dealing with the problems of oversaturation in nursing homes, made a big difference with the problems of neglect in nursing homes, made a big difference with the problems that nursing home patients, the most defenseless people probably in society have faced in the Federal Government involvement 10 years ago. These nursing home standards that this Congress passed, signed by President Reagan at that time, made a big difference in these people's lives in the twilight of their years, yet this Congress and the Ging-

rich plan repealed all of those nursing home standards.

We also wanted to talk about the premium increases. Under the Gingrich plan, \$270 billion in Medicare cuts and \$180 billion in Medicaid cuts over the next 7 years will mean doubling of premiums from \$46 a month up to almost \$100, will mean an increase in deductibles from now \$100 perhaps up to \$150, to \$200, maybe \$250, and it will mean an increase in co-pays in some versions of this bill which will be voted on for a second time in the next month.

They also did not try to—tried to call us out of order when they talked about how Medicaid has written out the disabled, and again some of the most vulnerable people in society, and they also—we wanted to talk about the spousal protection where if an elderly man's wife ends up in a nursing home, and paid for by Medicaid, that the husband can still live in his modest home without spending, selling the home, and having all the money go to the nursing home.

All of those kinds of issues were so important, and perhaps what they objected to the most was when I quoted Speaker GINGRICH when he said the response to criticisms about this Medicare bill, about the \$270 billion in cuts and when he obviously wanted to go much further in Medicare. He made a statement to a bunch of insurance executives, most of whom, is not all of whom, will benefit mightily monetarily, their companies and they individually, from this \$270 billion Medicare cut bill. Speaker GINGRICH said, "Now we don't want to get rid of Medicare in round 1 because we don't think that's politically smart and we don't think it's the right way to go, but we believe that Medicare is going to wither on the vine."

Two hundred seventy billion dollars in cuts for a tax break of \$250 billion for the wealthiest people in society with the hope that Medicare is going to wither on the vine. Mr. Speaker, it is simply not right.

BALANCING THE BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. FOX] is recognized for 5 minutes.

Mr. FOX of Pennsylvania. Mr. Speaker, I appreciate the opportunity to address the House this evening on some important issues, not least of which would be the balanced budget. The balanced budget will be the most important bill that we hope the President will eventually sign.

You heard on the House floor tonight about certain claimants that could not get their Social Security benefits. Frankly all recipients of Social Security will get their benefits, but those that may have applied today will not do so because the President did not sign the balanced budget last night. He vetoed it.